

FACT SHEET

SUBJECT: PREMIUM SERVICE FACILITY

PURPOSE:

- o Premium Service facility is a Defense Logistics Agency Program designed to dramatically reduce order ship time by emulating the best of commercial practices.

BACKGROUND:

- o Premium Service facility is an initiative that fully supports the goals of the Secretary of Defense's (SecDef) Strategic Logistics Plan and the SecDef's goals to significantly reduce cycle times. This program can enhance the Military Service's ability to reduce retail and wholesale stocks and increase unit readiness.

DISCUSSION:

- o The Premium Service facility is a Defense Logistics Agency (DLA) partnership with FedEx Corporation that can significantly increase readiness and reduce spare and repair part inventories. The program provides guaranteed direct door-to-door delivery within 24 hours CONUS and 48 hours in country OCONUS.
- o Order and shipping services are provided 24 hours a day, 365 days a year, using the latest commercial practices. Order entry can be accomplished by MILSTRIP, voice telephone, FAX, electronic mail or virtual catalog (internet). Standard delivery of Premium Service orders received prior to midnight is 1030 the next day CONUS. Items can also be shipped via the next commercial flight available or by charter flight. FedEx provides shipment tracking software that allows customers to track shipments via the internet from time of order entry to delivery.
- o Premium Service facility provides inventory managers with contingency/rapid response capability based on the principles of availability, simplicity and economy. Premium Service does not replace the more traditional material management practices, it supplements and enhances them.
- o Materiel owners include the Military Services, Inventory Control Points and Program Offices are billed monthly for storage, issue, and transportation services incurred during the month. Over 4,500 Army, Navy, Air Force and DLA lines of materiel are presently stocked in the Premium Service facility, generating over 18,000 requisitions monthly. As of FY00, PS has shipped 69,149 shipments with an on-time delivery average rate of 99.32 percent and PS has received a total of 3,419 receipts. Inventory accuracy at 99.99% with zero Reports of Discrepancy reported during the past 24 months.

RECOMMENDATION: None. For information only.

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